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SWIDLER BERLIN LLP

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Federal Communications Commission
Office of the Secretary

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VIA COURIER

October 25, 2005

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
c/o Natek, Inc.
236 Massachusetts Avenue, N.E.
Suite 110
Washington, DC 20002

DOCKET FILE COPY ORIGINAL

Re: **In the Matter of McLeodUSA Telecommunications Services, Inc., Debtor-in-Possession, Transferor, and McLeodUSA Telecommunications Services, Inc., Transferee, Application For Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended, for the Transfer of Control of Authorized International and Domestic Communications Common Carrier**

WC Dkt. No. 05-303

Dear Ms. Dortch:

On behalf of McLeodUSA Telecommunications Services, Inc., Debtor-in-Possession ("McLeodUSA-DIP") and McLeodUSA Telecommunications Services, Inc. ("McLeodUSA," together with McLeodUSA-DIP, "Applicants"), enclosed for filing is a supplement to the above-referenced application filed on October 20, 2005. Applicants submit that Section IV(h)(2) and (3) should state:

- 2) The following entities *will own or control* a ten percent (10%) or greater equity/voting interest in **McLeodUSA Holdings, Inc.**

(i) Name: McLeodUSA Incorporated
Address: McLeodUSA Technology Park,
6400 C Street, SW,
Cedar Rapids, Iowa 52406-3177
Citizenship: United States
Equity/Voting Interest: 100%
Principal Business: Telecommunications

- 3) The following entities will own or control a ten percent (10%) or greater equity/voting interest in **McLeodUSA Incorporated**

Name: Wayzata Investment Partners LLC

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Address:	701 East Lake Street, Suite 300 Wayzata, MN 55391
Citizenship:	United States
Approx. Equity/Voting Interest:	15.41%
Principal Business:	Investment

The 15.41% interest to be held by **Wayzata Investment Partners LLC** are held under several individual investment funds, none of which will hold or control an indirect 10% or greater interest in McLeodUSA.

Name:	Fidelity Investments
Address	82 Devonshire Street, E31C Boston, MA 02109
Citizenship:	United States
Approx. Equity/Voting Interest	31.25%
Principal Business:	Investment

The 31.25% interest to be held by **Fidelity Investments** are held by several individual investment funds. **Fidelity Adv Ser II:Adv.High Income Advtg** will hold approximately a 16.38% indirect interest in McLeodUSA. No other investment funds will hold or control an indirect 10% or greater interest in McLeodUSA. No entity will own or control an interest in **Fidelity Adv Ser II:Adv.High Income Advtg** that will give them an indirect 10% or greater interest in McLeodUSA.

Ownership information in McLeodUSA prior to Plan, including all entities that hold a 10% or greater indirect interest in McLeodUSA, was disclosed to the Commission and approval in CC Docket No. 02-44. Attached as Exhibit B is a copy of the application containing the ownership information. No material changes to the indirect ownership interests in McLeodUSA have occurred since that approval.

In addition, Applicants attach hereto supplemental information for Exhibit B of the application.

Please date stamp and return the extra copy of this letter in the attached self-addressed stamped envelope. If there are any questions regarding this filing, please contact the undersigned counsel.

Respectfully submitted,



Jean L. Kiddoo
Brian McDermott

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cc: Renee Crittendon (WCB)
Tracey Wilson (WCB)
Susan O'Connell (IB)
Natalie Martinez (IB)
Joann Ekblaud (IB)

Exhibit B Supplement

- (b) Information concerning the ten percent (10%) or greater shareholders of Applicants is as follows:

The following entity owns 100% of McLeodUSA Telecommunications Services, Inc.:

Name: McLeodUSA Holdings, Inc.
Address: McLeodUSA Technology Park
6400 C Street, SW
Cedar Rapids, Iowa 52406-3177
Citizenship: USA
Percentage Owned: 100%
Principal Business: Telecommunications

The following entity owns 100% of CapRock Telecommunications Corp. and IWL Communications, Inc.:

Name: CapRock Communications Corp.
Address: 15601 Dallas Parkway
Suite 700
Addison, Texas 75001
Citizenship: USA
Percentage Owned: 100%
Principal Business: Telecommunications

The following entity owns 100% of McLeodUSA Holdings, Inc. and CapRock Communications Corp.:

Name: McLeodUSA Incorporated
Address: McLeodUSA Technology Park
6400 C Street, SW
Cedar Rapids, Iowa 52406-3177
Citizenship: USA
Percentage Owned: 100%
Principal Business: Telecommunications

After completion of the transaction, three entities will hold a ten percent (10%) or greater ownership interest in McLeodUSA Incorporated. Information concerning those three entities and their ownership structures is as follows:

- 1) Name: Forstmann Little & Co. Equity Partnership-V, L.P.
("Equity-V")
Address: 767 Fifth Avenue
New York, NY, 10153
Citizenship: USA
Percentage Owned: 11%
Principal Business: Investment

The sole general partner of Equity-V is as follows:

Name: FLC XXX Partnership, L.P. ("FLC XXX")
Address: 767 Fifth Avenue
New York, NY, 10153
Citizenship: USA
Principal Business: Investment

The general partners of FLC XXX are as follows:

Names: Theodore J. Forstmann, Sandra J. Horbach, Thomas H.
Lister and Winston W. Hutchins
Address: 767 Fifth Avenue
New York, NY, 10153
Citizenship: USA
Principal Business: Individuals

- 2) Name: Forstmann Little & Co. Subordinated Debt and Equity
Management Buyout Partnership-VII, L.P.
("MBO-VII")
Address: 767 Fifth Avenue
New York, NY, 10153
Citizenship: USA
Percentage Owned: 17%
Principal Business: Investment

The sole general partner of MBO-VII is as follows:

Name: FLC XXXIII Partnership, L.P. ("FLC XXXIII")
Address: 767 Fifth Avenue
New York, NY, 10153
Citizenship: USA
Principal Business: Investment

The general partners of FLC XXXIII are as follows:

Names: Theodore J. Forstmann, Sandra J. Horbach, Thomas H. Lister, Winston W. Hutchins, Jamie C. Nicholls and Gordon A. Holmes
Address: 767 Fifth Avenue
New York, NY, 10153
Citizenship: All of the above individuals are citizens of the USA, except Gordon A. Holmes who is a citizen of the Republic of Ireland.
Principal Business: Individuals

- 3) Name: Forstmann Little & Co. Equity Partnership-VII, L.P.
("Equity-VII")
Address: 767 Fifth Avenue
New York, NY, 10153
Citizenship: USA
Percentage Owned: 14%
Principal Business: Investment

The sole general partner of Equity-VII is as follows:

Name: FLC XXXII Partnership, L.P. ("FLC XXXII")
Address: 767 Fifth Avenue
New York, NY, 10153
Citizenship: USA
Principal Business: Investment

The general partners of FLC XXXII are as follows:

Names: Theodore J. Forstmann, Sandra J. Horbach, Thomas H. Lister, Winston W. Hutchins, Jamie C. Nicholls and Gordon A. Holmes
Address: 767 Fifth Avenue
New York, NY, 10153
Citizenship: All of the above individuals are citizens of the USA, except Gordon A. Holmes who is a citizen of the Republic of Ireland.
Principal Business: Individuals

No other person or entity will hold a ten percent (10%) or greater direct or indirect ownership interest in the McLeodUSA Operating Companies after the consummation of the transaction.

Forstmann Little currently has no interlocking directorates with a foreign carrier.

- (i) Forstmann Little certifies that it is not a foreign carrier and that it is not currently affiliated with any foreign carrier.
- (j) Forstmann Little certifies that it does not seek to provide international telecommunications services to any destination country where:
 - (1) Forstmann Little is a foreign carrier in that country; or
 - (2) Forstmann Little controls a foreign carrier in that country; or
 - (3) Any entity that owns more than 25 percent of Forstmann Little, or that controls Forstmann Little, controls a foreign carrier in that country.
 - (4) Two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate more than 25 percent of Forstmann Little and are parties to, or the beneficiaries of, a contractual relation affecting the provision or marketing of international basic telecommunications services in the United States.
- (k) Not applicable.
- (l) Not applicable.
- (m) Not applicable.
- (n) Forstmann Little certifies that it has not agreed to accept special concessions, as defined in Section 63.14(b) of the Commission's Rules, directly or indirectly, from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route, and will not enter into such agreements in the future.
- (o) Equity-VII, MBO-VIII, Equity-V, MBO-VI, and MBO-VII each certifies for itself and Parent certifies for itself and the McLeodUSA Operating Companies, pursuant to Sections 1.2001 through 1.2003 of the Commission's Rules (implementing the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 3301), that it is not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.
- (p) Applicants request streamlined processing of this Application pursuant to Section 63.12(a)-(b) of the Commission's Rules. This Application qualifies for streamlined processing because, as set forth above, Forstmann Little has no affiliation with a foreign carrier, has no affiliation with a dominant U.S. carrier whose international switched or private line services Forstmann Little seeks authority to resell, and does not seek authority to provide switched basic services over private lines to a country for which the Commission has not previously authorized the provision of such services.